

Working Party on Domestic Regulation

Status

The GATS Article VI (Domestic Regulation) directs the Council to develop any necessary disciplines “with a view to ensuring that measures relating to qualification requirements and procedures, technical standards, and licensing requirements do not constitute unnecessary barriers to trade in services.” A 1994 Ministerial Decision had assigned priority to the professional services sector, for which the Working Party on Professional Services (WPPS) was established. The WPPS developed Guidelines for the Negotiation of Mutual Recognition Agreements in the Accountancy Sector, adopted by the WTO in May 1997, and completed Disciplines on Domestic Regulation in the Accountancy Sector, adopted in December 1998. (The text of both are publicly available on the WTO website at www.wto.org/wto/new/press73.htm and www.wto.org/wto/new/press118.htm, respectively).

With the adoption of the Disciplines, in May 1999 the Council established a new Working Party on Domestic Regulation which also took on the work of the predecessor WPPS. The new Working Party’s mandate is as cited above. These disciplines may be generally applicable and may also apply to individual sectors. The Working Party is to report its recommendations to the Council not later than the conclusion of the coming round.

Assessment of the First Five Years of Operation

The work program on accounting was an important step in the multilateral liberalization of this important sector. While the United States was disappointed that Members ultimately were not able to agree to early application of the accountancy disciplines, the disciplines remain open for improvement before their adoption at the conclusion of the current GATS round. They further provide a reference point for the cross-sectoral work begun in 1999.

Major Issues in 1999

With respect to development of generally applicable regulatory disciplines, on the basis of a background paper prepared by the Secretariat, Members have discussed needed improvements in GATS transparency obligations. Members also have begun discussion of possible disciplines aimed at ensuring that regulations are not more trade restrictive than necessary to fulfill legitimate objectives.

To continue work on professional services, Members agreed to solicit views on the accountancy disciplines from their relevant domestic professional bodies, addressing whether those other professions would favor use of the accountancy disciplines with appropriate modifications. Members agreed to share information on the results of these consultations by March 2000. In addition, Members asked the Secretariat to consult with appropriate counterpart international organizations, to be identified by Members.

Work for 2000

The Working Party will continue development of possible regulatory disciplines, both horizontally and sector-specific, to promote the GATS objective of effective market access. The Working Party also will

discuss extending the accountancy disciplines to other professions.